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DEPARTMENT OF STATE

Washington, D.C. 20520

August 3, 1977

ATTACHMENT

Director of Personnel
Central Intelligence Agency
McLean, VA 22101

Dear Madam/Sir:

Legislation was enacted last year (PL 94-350, section 112) authorizing agencies to make supplementary payments to certain alien employee annuitants and survivor annuitants receiving Civil Service Retirement (CSR) pensions. This supplement is to be paid to those whose annuities are (a) based on an income that was fixed in a foreign currency that has appreciated against the dollar and (b) less in local currency units than the local currency average of the benefits provided by local prevailing practice for similar work performed over the same period of time.

Before payments can be made, both the eligibility of the countries and that of the alien annuitants residing in these countries must be determined. We have identified Belgium, Cyprus, France, West Germany, the Netherlands, and Switzerland as tentatively qualifying countries. A questionnaire comparing CSR to prevailing retirement practices has been sent to our embassy in each country. We will make a final decision on country eligibility based on the results from this questionnaire.

The supplement will be paid only to those CSR employee/survivor annuitants who earned their annuities in the eligible countries. The Civil Service Commission has furnished the Department with a mailing list of aliens presently receiving CSR annuity checks and residing in these countries. The Civil Service Commission code provided with each name identifying the last employing agency indicates that some of these potential recipients of supplemental payments worked for your agency.

We have sent these names to the U.S. embassies, the Federal Personnel Records Center and the Civil Service Commission's records storage facility requesting the U.S. Agency, dates and country of final employment. This verification should prevent erroneous payments to aliens who did not earn their annuities in the eligible countries and will also correct any erroneous CSC agency coding.

The method for determining the amount of the supplement is as follows: the average of the exchange rates for the three years prior to the final separation of each eligible annuitant will be compared to the current monthly exchange rate. If the current exchange rate is equal to or greater than the average exchange rate no adjustment will be made. If the reverse is true, divide the average exchange rate by the current exchange rate and multiply the result by the current monthly dollar annuity rate. Subtract the current monthly dollar annuity rate from this product to arrive at the appropriate monthly supplement.

For those who are eligible, the supplement will be adjusted monthly. The number of annuitants who will be eligible in any given month may fluctuate as the exchange rates fluctuate.

Payments will begin after October, 1977, and each agency is responsible for funding those eligible alien annuitants/survivors. The Department believes that the alien employee/survivor annuitants of all USG agencies should receive equal treatment under PL 94-250. The Department of State's Office of Financial Services is preparing a computer program for determining the amount of each supplementary payment and the issuing of the checks. It is willing to handle, on a reimbursable basis, the payment of this supplement for all affected USG agencies. However, if your agency prefers to make its own payments, we will send you a list of the eligible employee/survivor annuitants we have identified as having been employed by your agency.

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If you have any questions please call Peter Gregory of my staff on 235-1004. Once we have made final country and annuitant determination we will be in touch with you again.

Sincerely yours,

Alan Weinstein

Alan Weinstein
Chief, Local Personnel Division

Enclosure
PL 94-250 sec. 112

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see the attachment